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Animation industry at a crossroads

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Animation industry at a crossroads

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Animation is a notable part of the creative economy. According to Skillset's *Animation Sector Profile* (2008), the global market for all forms of animation is worth \$300bn per year, comparable to the global TV industry's revenue of \$358.5bn in 2008 (Ofcom, 2009). The animation industry operates across many sectors of the creative industries including TV, film, advertising, new media, and computer and video games. At the core of it, nonetheless, exists animation for TV and cinema: it not only has a strong identity as an art form and consumer product but also functions as an important source of inspiration and development both aesthetic and technological for other forms of animation. TV animation and animated film are costly to make but have a long history of commercialisation and merchandisation. Easy dubbing and less embeddedness in a local cultural context imply their potential to be a highly profitable property travelling across linguistic and cultural borders (Westcott, 2011 in this edition). In spite of its recognisable contribution to the creative economy, the animation industry has not been given adequate attention by creative industries researchers. Meanwhile the existing literature of animation tends to focus on analysing its text rather than its industry aspects. This special edition of *CIJ* provides a good opportunity for us to bring the perspective of animation to the study of creative industries and *vice versa*. The collection of papers in this edition examines the industry from both local and global contexts, with particular reference to the experience of China, Japan and the UK. The key issues and challenges identified in this edition resonate with some recurring themes of creative industries discussion: the roles of location and government policy, working conditions of creative workforce, tensions abound intellectual property and convergence between production and consumption.

The animation industry operates in the dynamics of transnational geography. As Florida (2002), Scott (2000) and a number of articles in this journal (Vol 2. No 1; Vol 3 No 1) comment within the broad creative industries context, location functions as a key factor for the animation industry's development. In spite of national variations, global production centres of animation – such as the US, France, Canada, Japan and the UK – are characterised by the existence of a critical mass of production companies, their proximity with broadcasters, the availability of a skilful workforce, strong pre/post- production

capacities and sometimes government support. The centres often share the work of animation production with outsourcing bases, perhaps indicating that creativity in animation could be transnationally and transculturally defined. The transnational geography is being constantly re-shaped as production centres are further shifting to outsourcing mode and traditional outsourcing bases like India, China and South Korea are trying to move from service work to co-production and production of original animation, with some success (Westcott, 2010 in this edition). Nonetheless, it is also observed that the experience of service work does not necessarily turn into the capacities needed for making original products with distinct visual aesthetics and cultural identity. This finding encourages us to have another look at the production centres' internal dynamics, key to the facilitation of creative capacities.

Like other creative industries, the animation industry relies on a young creative workforce that finds great affinity between work, pleasure and personal identity. In terms of earning, job security, working conditions and social security, however, the challenges facing them seem not dissimilar to those identified by the existing literature on creative labour (e.g., Gill and Pratt, 2008; McRobbie, 2002). Animators at production centres such as the UK and Japan are likely to see reduced job opportunities due to outsourcing. Competition with cheaper workforces overseas could also put further pressure on their income and working conditions. From a long-term perspective, the gradual erosion of production work could also negatively affect the creativity that flows between different phases of animation work. This apparently exemplifies a dilemma of the creative industries that operate in increasingly globalised environments and heavily rely on overseas talents.

The effect of globalisation is not limited to the production of animation text. It is also seriously transforming the way the text is disseminated and consumed across borders. Here, Japanese animation (anime), which consists of varied genres and has built up strong fan bases overseas, can be seen as a revealing case study. Overseas fans intervene in its distribution by voluntarily translating and sharing anime across geographical and linguistic boundaries, bypassing the market mechanism and infringing copyright in the original anime. Through such a process the text of popular anime is continuously renewed and reworked by consumers who collaborate on a global scale. The impact on the industry of fan activities looks ambivalent: it complements the industry by functioning as promotion and marketing; yet, it could act as a substitute for the distribution of legitimate products. Such a phenomenon chimes with the existing discussion of multifaceted nature of consumer creativity and convergence between production and consumption (Benkler, 2006; Dueze, 2007; Jenkins, 2006).

The role of government policy in developing the animation industry cannot be easily generalised as there exists a huge diversity among countries in terms of industry structure and financing. While animation is seen as a commercial entertainment in the US and Japan, it is a legitimate object of well-defined cultural policy and consequently public support in France and Canada. In emerging countries such as China and South Korea,

government policy, as a powerful enabler, plays critical roles: from generating a new policy discourse that frames animation as an essential part of creative/contents economy (Hartley, 2004; Hesmondhalgh and Pratt, 2005) to providing financial incentives. Meanwhile newly recognised crises with financing and workforce seem to generate unprecedented demand for government intervention, as seen in the UK and Japan.

Various media, from TV and DVD to mobile phone, serve as windows for animation, and the industry looks keen to experiment with new media. Nevertheless, the importance of TV broadcasting cannot be ignored. For example, the close alliance with TV networks gives US animation structural and economic advantages, and TV's animation quotas and funding play crucial parts in sustaining the industry in France. However, the increasing marketisation trend of the TV sector and its funding crisis appears to pose potential threats to the industry, as witnessed in the UK during the most recent decade.

The papers included in this edition address the aforementioned issues within specific local and global viewpoints. In doing so, they ask some fundamental questions about the nature of creativity: how it is initiated, cultivated, modified and remade through production, distribution and consumption processes that are embedded within media, geography, government policy and technology. The first paper, by Leilei Li, tries to give an answer within the Chinese context. Focusing on production, it points out that the industry's business model and development path are heavily bounded by the constraints of media – film, TV and new media – as well as the longstanding influence of 'Chinese school' animation that rejects textual hybridity. While still unsure about 'national style', the industry has expanded rapidly under active policy-making by central and local governments. This corresponds with the industry's attempt to reposition itself within the global map of animation production and the emergence of new location dynamics at the national level.

The opinion paper by Clare Kitson provides insights into the role that TV can play in nurturing creativity in the animation industry. She argues that Channel 4 (the UK public TV channel that relies entirely on advertising income) hugely contributed to the industry by supporting young animators with experimental and cutting-edge ideas. It is shown that the channel effectively identified and cultivated British – frequently female – animation talents that later fed auteur animation, children's animation, animation commercial, feature film animation and other genres. Witnessing the almost complete disappearance of the channel's animation funding, Kitson calls for new funding sources for animation, either in the TV or film industry.

Rayna Denison's paper draws our attention to the transcultural and hybrid nature of Japanese animation. It finds that anime's text itself – its visual aesthetics, themes and representation of Western others – is subjected to fluid interplay between Japanese and non-Japanese (Western) identities. But more importantly, the paper challenges the static perception of creativity by demonstrating how it actually is ambivalent and open to modification by practices of overseas distributors and participatory consumers.

The issue of participatory consumption is further explored by Hye-Kyung Lee's paper. With a case study of anime 'fansubbing' or fan-subtitling, it pinpoints the limitation of the official copyright discourse that sees copyrighted cultural text as fixed and fully controlled by its author. Finding that fansubbers hold their own, alternative perception of copyright, the paper proposes that copyright is not only a legal but also social and cultural construct subject to consumers' own understanding and interpretation.

The next is Tim Westcott's short piece on the global animation industry. Based on his past and ongoing research, Westcott succinctly gives an overview of the industry, explaining its structure, financing and location and identifying some new dynamics in them. Last but not least, the short paper by Daisuke Okeda and Aki Koike provides a timely analysis of working conditions of Japanese animators: the animators are strongly motivated by their love for the art form but suffer from low incomes, long working hours and a lack of social security. Furthermore, the increased outsourcing of 'in-between' work to service bases overseas means the hollowing out of on-the-job training opportunities for young animators, and this could lead to a creativity gap in the industry. Such findings have significant implications not only for the animation industry elsewhere but also the creative industries in general.

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